BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

FORTIETH ANNUAL REPORT

for the year ended

December 31, 1989

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TO:

HONOURABLE PAUL DICKS,
Minister of Justice.

Honourable Sir:

We have the honour to submit herewith the Annual Report of the Board of Commissioners of Public Utilities for the year ended December 31, 1989.

We have the honour to be,

Sir,

Your obedient servants,

J.A.G. MacDonald, P.Eng., Chairperson
R.E. Good, Vice-Chairperson
L.E. Galway, C.A., M.B.A., Commissioner.

92-07324/

REPORT FOR THE YEAR 1989

The Board held 37 public hearings during the year. Of these 31 were held under The Motor Carrier Act and The Motor Vehicle Transport Act, 1987, 5 were held under The Public Utilities Act and 1 was held under The Electrical Power Control Act.

The Board, on June 1, 1989, issued a Report to the Minister of Mines & Energy on a Referral by Newfoundland and Labrador Hydro for proposed rates to be charged to retail customers.

Throughout the year the Members of the Board and supervisory staff attended meetings, both Provincial and National, on matters of concern to the Board.

The following report summarizes the work of the Board during the year under review and also includes the reports of the activities of the various public utilities subject to the jurisdiction of the Board.

PROGRESS REPORTS

DEER LAKE POWER COMPANY LIMITED

Energy generated and purchased in 1989 totalled 812,571,717 KWH. Of this total, 798,681,000 KWH was generated at the Deer Lake and Watson's Brook Plants while the remaining 13,890,717 KWH was purchased from Newfoundland and Labrador Hydro. Secondary energy sales to Newfoundland and Labrador Hydro were minimal (2,326,269 KWH) because of below normal run-off conditions.

Capital and special repair expenditures in 1989 totalled $797,000 as compared with $1,319,000 in 1988. Capital expenditures ($729,000) included the rewind of a generator at Deer Lake and the rehabilitation of three spillway sections at Main Dam. Special repair expenditures ($68,000) included repairs to the end wall of a buttress at Main Dam.

NEWFOUNDLAND LIGHT & POWER CO. LIMITED

The electricity produced by the Company and purchased for resale during 1989 increased by 6.2% to 4,237 million kilowatt hours. Of this amount, 321 million kilowatt hours were generated in the Company's own plants, while 3,916 million kilowatt hours were purchased from Newfoundland and Labrador Hydro.

Electricity sold in 1989 increased by 6.8% to 3,993 million kilowatt hours. However, when adjustments are made to approximate normal weather conditions, the real growth in sales is 5.0%. The number of customers served increased 2.5% to 188,575. Sales to Electric Heating and All Electric customers, for all their electrical needs, totalled 2,331 million kilowatt hours or 58.4% of the total energy sold.

Rates were reduced 4.5% effective July 1, 1989. This reflects a 3.9% reduction as a result of a credit balance in the Rate Stabilization Account and 0.6% reduction in rates from Newfoundland and Labrador Hydro.

NEWFOUNDLAND LIGHT & POWER CO. LIMITED

Capital expenditure for the year amounted to $56.3 million and is made up as follows:

Energy Systems	$ 3.7 million
Transmission	2.2 million
Substations	4.7 million
Distribution	27.9 million
General Property	17.2 million
Communications	0.6 million
TOTAL	$ 56.3 million

NEWFOUNDLAND TELEPHONE COMPANY LIMITED

In August of 1989 a Ruling of The Supreme Court of Canada in the case of Alberta Government Telephone (The appellant) and The Canadian Radio-television Telecommunications Commission (CRTC) and CNCP Telecommunications (The respondents) determined that AGT is a work or undertaking within the legislative authority of the Parliament of Canada by virtue of Section 92(10)(a) or otherwise of The Constitution Act, 1867.

As a result of this Decision the Board and Newfoundland Telephone Company Limited (NT) concluded that NT came under the jurisdiction of the CRTC rather than this Board.

THE IRON ORE COMPANY OF CANADA

The Iron Ore Company of Canada reported the number of customers supplied by them with electrical services in the Town of Labrador City.

The figures covering the period from 1984 to 1989 are shown below:

	1984	1985	1986	1987	1988	1989
Municipal	1					
Domestic	3165	3130	3134	3114	3082	3134
Commercial	144	139	140	138	134	134
Industrial	135	135	138	140	142	142
	3445	3404	3412	3395	3358	3410

MOTOR CARRIER DIVISION

REGISTRATION

At the commencement of 1988, a total of 1811 motor carriers were licensed with the Board. During the year, 240 certificates/licenses were issued and 156 were cancelled so that at the end of 1988, a total of 1895 motor carriers were providing service.

A total of 1837 applications for amendments were received in addition to applications for new certificates/licenses. This compares with a total of 2161 the previous years. The Board also received 65 applications for sale, assignment or transfer of certificates/licenses compared to 62 in the previous year.

	1987/88	1988/89
Intra-Provincial Freight Vehicles	2979	3272
Extra-Provincial Freight Vehicles	1577	1888
Intra-Provincial Passenger Vehicles	1411	1463
Extra-Provincial Passenger Vehicles	61	47

INSPECTION

During 1989 the Highway Enforcement Staff of the Department of Works, Services & Transportation (appointed as inspectors under the Motor Carrier Act) received and responded to 107 complaints related to public service vehicles.

Twelve investigations were conducted resulting in two charges laid against public passenger carriers.

Routine inspections were carried out on 513 freight vehicles, 20 public passenger vehicles and 253 ambulance vehicles, for a total of 786 inspections.

Routine inspections resulted in 65 charges laid against freight carriers, 11 charges laid against public passenger carriers and 17 charges laid against ambulance operators for breaches of the Motor Carrier Act and Regulations. Two charges were laid against freight carriers for breaches of the Motor Vehicle Transport Act, 1987.

A total of 97 summonses and tickets were issued during 1989. Nineteen fines were paid forthwith. Twenty-seven motor carriers were prosecuted for breaches of the Motor Carrier Act, two motor carriers were prosecuted for breaches of the Motor Vehicle Transport Act and 29 cases are scheduled for court hearings in 1990. Nine motor carriers were prosecuted for breaches of the Motor Carrier Act committed in 1988.

THE FOLLOWING IS A LIST OF ORDERS WHICH WERE ISSUED BY THE BOARD DURING 1989

SUMMARY OF ORDERS ISSUED UNDER THE PUBLIC UTILITIES ACT, CHAPTER 322, R.S.N. 1970

NAME OF APPLICANT	APPLICATION	DECISION	ORDER NO.
Newfoundland Light & Power Co. Limited	Approval of its Weather Normalization Reserve	Approval granted, as a result of a meeting of the Board.	P.U. 5
Newfoundland Light & Power Co. Limited	Approval of additional capital expenditures for 1989 ($1,079,000).	Approval granted, as requested after discussion with the Company's Officials.	P.U. 8
Newfoundland Light & Power Co. Limited	Approval of treat as part of Common Equity for for regulatory purposes, the Gain on Preference Shares realized prior to Order No. P.U. 37(1984).	Approval granted, as a result of a meeting of the Board.	P.U. 13

NAME OF APPLICANT	APPLICATION	DECISION	ORDER NO.
Newfoundland Light & Power Co. Limited	Approval to revise its Schedule of Rates, Rules and Regulations to offset changes in the rates charged by Newfoundland and Labrador Hydro for the supply of electric energy. (PASS THROUGH)	Interim approval, without a public hearing.	P.U. 16
Newfoundland Light & Power Co. Limited	Approval of an Amendment to Order No. P.U. 30(1988) approving the Agreement between Hydro and NLP for the calculation of the estimated wheeling charges and the contribution in aid of construction to be paid for the Interconnection of Fogo and Change Islands to the Provincial Grid.	Approval granted without public hearing.	P.U. 17
Newfoundland Light & Power Co. Limited	Approval for approval to issue Series "AD" First Mortgage Sinking Fund Bonds.	Approval granted, as a result of public hearing.	P.U. 19
Newfoundland Telephone Company Limited	Approval of a Schedule of Rates, Tolls, Charges, Rules and Regulations for use in the various parts of the Province, formerly served by Terra Nova Telecommunications, Inc. to be charged as from Jan. 1, 1989.	Interim approval granted, as requested, without a public hearing.	P.U. 1
Newfoundland Telephone Company Limited	Approval of a variance in Order No. P.U. 18(1988) by Newfoundland Telephone Company Limited (Re Terminal Attachment Order).	Approval granted to alter Direction No. 4 in P.U. 18(1988) from January 14, 1989 to May 15, 1989, without a public hearing.	P.U. 2

NAME OF APPLICANT	APPLICATION	DECISION	ORDER NO.
Newfoundland Telephone Company Limited	Approval of an amendment to Order No. P.U. 25(1988) to include $25,630,000 - Capital Expenditures applicable to TNT Territory - bringing total capital expenditures to $85,630,000.	Approval granted, as requested, after a presentation to the Board.	P.U. 3
Newfoundland Telephone Company Limited	Approval of the issuance and sale of 5,479,452 Common Shares without par value.	Approval granted, as requested, as a result of a public hearing.	P.U. 4
Newfoundland Telephone Company Limited	Approval of additional Capital Expenditures for 1988 in the amount of $62,000.	Approval granted, as requested, as a result of a meeting of the Board.	P.U. 6
Newfoundland Telephone Company Limited	Approval of: (i) rate base, effective January 1, 1989; (ii) a schedule of rates, tolls and charges, together with the rules and regulations relating thereto, effective April 1, 1989.	Approval granted, inter alia, a rate base effective January 1, 1989 and a schedule of rates, tolls and charges, together with rules and regulations relating thereto, effective May 1, 1989, as a result of of a public hearing.	P.U.9

NAME OF APPLICANT	APPLICATION	DECISION	ORDER NO.
Newfoundland Telephone Company Limited	Approval of the issuance and sale up to $75,000,000 Principal Amount of First Mortgage Bonds, Series T.	Approval granted, as requested, as a result of a public hearing.	P.U. 10
Newfoundland Telephone Company Limited	Approval of the introduction of an Electronic Telephone Set to be known as the Two-Line Telephone Set.	Interim approval as requested, without a public hearing.	P.U. 11
Newfoundland Telephone Company Limited	Approval authorizing the Company to revise its existing BNS Digital Centrex Service by (i) introducing two premium telephone sets - The Meridian 5209 Business Set and The Meridian 5312 Business Set and (ii) offering additional optional equipment.	Interim approval granted, as requested, without a public hearing.	P.U. 12
Newfoundland Telephone Company Limited	Approval of the issuance and sale up to $30,000,000 Principal Amount of First Mortgage Bonds, Series U.	Approval granted, as requested, as a result of a public hearing.	P.U. 14
Newfoundland Telephone Company Limited	Approval of the introduction of an advanced digitized voice messaging service to be know as Integrated Voice Processing Service.	Interim approval, without a public hearing.	P.U. 15

NAME OF APPLICANT	APPLICATION	DECISION	ORDER NO.
Newfoundland Telephone Company Limited	Approval to suspend, in specified areas and for a specified period of time, the Basic Service Charge associated with the provision of "TouchTone" and two months' recurring charges associated with the provision of "Call Waiting".	Interim approval granted, without a public hearing.	P.U. 18
Newfoundland Telephone Company Limited investigation by the Board of the costs and other accounting functions of Newfoundland Telephone Company Limited.	Following investigation by Noseworthy, Keating, Howard & Kung, the Board determined that sufficient that sufficient grounds existed to warrant a formal hearing.	Majority Order, as a result of public hearings, inter alia, (1) the cost of enhanced pension plan is not allowed as an expense for rate making purposes. It is to be charged to the common equity of NT.	P.U. 20

NAME OF APPLICANT	APPLICATION	DECISION	ORDER NO.
Newfoundland Telephone Company Limited	Approval authorizing the suspension of the Basic Service Charge associated with the provision of "Touchtone" and two months' recurring charges associated with the provision of "Call Waiting" where the customer subscribes to these services as part of the Company's Digital Conversion Promotional Program.	Interim approval granted, as requested, without a public hearing.	P.U. 21
Newfoundland Telephone Company Limited	Approval authorizing the modification of its Digital Key Telephone System by introducing the Meridian Norstar Modular and its system components.	Interim approval granted, as requested, without a public hearing.	P.U. 22
Newfoundland Telephone Company Limited	Approval authorizing the establishment of a new exchange in Labrador to be known as the Williams Harbour Exchange.	Interim approval granted, as requested, without a public hearing.	P.U. 23
Newfoundland Telephone Company Limited	Approval authorizing the provision of Extended Area Service between Bell Island Exchange and the St. John's and Portugal Cove Exchange.	Interim approval granted, as requested, without a public hearing.	P.U. 24

NAME OF APPLICANT	APPLICATION	DECISION	ORDER NO.
On the Board's Own Initiative	Approval of a person to represent the general interest of the various classes of retail users of electricity relative to a Referral by Newfoundland and Labrador Hydro.	Approval granted, to appoint J.S. Hutchings, LL.B., as the person, after a meeting of the Board.	P.U. 7

SUMMARY OF ORDERS ISSUED UNDER THE MOTOR CARRIER ACT, CHAPTER 242, R. S. N. 1970 AND/OR THE MOTOR VEHICLE TRANSPORT ACT, 1987

NAME OF APPLICANT	APPLICATION	DECISION	ORDER NO.
A. P. Construction Limited Port Rexton, NF	Amendment to Motor Carrier Certificate No: 5476 to provide an IRREGULAR SPECIALTY PUBLIC PASSENGER BUS SERVICE etc.	Denied as a result of a public hearing.	M.C. 9
A. P. Construction Limited Port Rexton, NF	Awarding of costs as a result of Order No: M.C. 9 (1989).	Applicant shall pay expenses of Wendell W. Moore, C.A. in the amount of $284.10.	M.C. 19
Bishop's Service (1979) Limited Long Pond Manuels, NF	Amendment to Motor Carrier Certificate No: 327 to provide an IRREGULAR SPECIALTY LOWBED FREIGHT SERVICE etc.	Approval granted, as requested, as a result of a public hearing.	M.C. 14
Cape Broyle Sea Products Cape Broyle, NF	Certificate of Public Convenience and Necessity to provide an IRREGULAR RESTRICTED FREIGHT SERVICE etc.	Approval granted, as modified, as a result of a public hearing.	M.C. 31
Careen, Richard St. Bride's, NF	Amendment to Motor Carrier Certificate No: 3038 to provide a SPECIALTY PUBLIC PASSENGER SERVICE.	Approval granted, as modified, as a result of a public hearing.	M.C. 20
Caribou Moving & Storage Inc. St. Anthony, NF	Certificate of Public Convenience and Necessity to provide a SPECIALTY FREIGHT SERVICE etc.	Approval granted, as requested, as a result of a public hearing.	M.C. 22

NAME OF APPLICANT	APPLICATION	DECISION	ORDER NO.
Clancy, Keith 76 Campbell Avenue St. John's, NF	Amendment to Motor Carrier Certificate No: 5513 to provide a SPECIALTY PUBLIC PASSENGER SERVICE.	Approval granted, as requested, as requested, as a result of a public hearing.	M.C. 1
Clancy, Keith 76 Campbell Avenue St. John's, NF	Statement of Costs filed as a result of Order No: M.C. 1 (1989).	Applicant shall pay its own legal fee and the Board shall waive the hearing fee.	M.C. 5
Community Council of Rocky Harbour Rocky Harbour, NF	Certificate of Public Convenience and Necessity to provide an IRREGULAR SPECIALTY AMBULANCE SERVICE etc.	Dismissed as a result of a public hearing.	M.C. 11
Cooper, Clifford Old Shop Trinity Bay, NF	Amendment to Motor Carrier Certificate No: M.C. 5820 to provide a SPECIALTY TEMPERATURE CONTROL FREIGHT SERVICE etc.	Approval granted, as requested, as a result of a meeting of the Board.	M.C. 27
BURPEN School Bus System Marystown, NF	Certificate of Public Convenience and Necessity to provide an IRREGULAR SPECIALTY PUBLIC PASSENGER BUS SERVICE etc.	Approval granted, as modified, as a result of a public hearing.	M.C. 32
Decker, Harry o/a Decker's Excavating 62 Third Street Mount Pearl, NF	Certificate of Public Convenience and Necessity to provide a SPECIALTY LOWBED FREIGHT SERVICE etc.	Approval granted, as requested, as a result of a public hearing.	M.C. 29
Fitzpatrick, Arthur o/a Fitzpatrick's Taxi Marystown, NF	Amendment to Motor Carrier Certificate No: 635 to provide a REGULAR PUBLIC PASSENGER BUS SERVICE, and a REGULAR SPECIALTY PUBLIC PASSENGER SERVICE etc.	Approval granted, as amended, as a result of a public hearing.	M.C. 2

NAME OF APPLICANT	APPLICATION	DECISION	ORDER NO.
Foote, Richard Grand Bank, NF	Amendment to Motor Carrier Certificate No: 2190 to provide an IRREGULAR PUBLIC PASSENGER BUS SERVICE etc.	Approval granted, as modified, as a result of a public hearing.	M.C. 30
Healey, David Corner Brook, NF	Amendment to Extra-Provincial Operating License No: 302 to provide an IRREGULAR SPECIALTY TANK FREIGHT SERVICE etc.	Approval granted, as requested, as a result of a public hearing.	M.C. 16
Hunt, Greer J. Paradise, NF	Amendment to Motor Carrier Certificate No: 4971 to provide an IRREGULAR GENERAL FREIGHT SERVICE, etc.	Approval granted, as requested, as a result of a public hearing.	M.C. 12
Keats, Enoch Dover, NF	Amendment to Motor Carrier Certificate No: 3171 to provide an IRREGULAR SPECIALTY PUBLIC PASSENGER BUS SERVICE etc and an IRREGULAR PUBLIC PASSENGER BUS SERVICE etc.	Approval granted, as requested, as a result of a public hearing.	M.C. 15
Labrador Aviation Services Limited Happy Valley Labrador, NF	Certificate of Public Convenience and Necessity to provide an IRREGULAR LOCAL GENERAL FREIGHT SERVICE etc.	Approval granted, as requested, as a result of a public hearing.	M.C. 17

NAME OF APPLICANT	APPLICATION	DECISION	ORDER NO.
Layman, Robert & Fleming, Gerald o/a Mount Pearl Cabs 52 Bannister Street Mount Pearl, NF	Amendment to Motor Carrier Certificate No: 5128 to provide an IRREGULAR SPECIALTY PUBLIC PASSENGER TAXI SERVICE etc and an IRREGULAR SPECIALTY PUBLIC PASSENGER BUS SERVICE etc.	Approval granted, as requested, as a result of a public hearing.	M.C. 10
Loomis Armoured Car Service Ltd. Vancouver, B.C.	Certificate of Public Convenience and Necessity to provide an IRREGULAR SPECIALTY ARMOURED CAR SERVICE etc.	Denied as a result of a public hearing.	M.C. 26
Merlin, Raymond A. Lower Sackville, N.S.	Amendment to Extra-Provincial Operating License No: 220 to provide an IRREGULAR SPECIALTY HAULAWAY SERVICE, etc.	Approval granted, as requested, as a result of a public hearing.	M.C. 7
Newhook's Transportation (1982) Limited St. John's, NF	Amendment to Motor Carrier Certificate No: 452 to provide a REGULAR PUBLIC PASSENGER BUS SERVICE etc.	Approval granted, as requested, as a result of a public hearing.	M.C. 34
O'Connell, Philip Corner Brook, NF	Certificate of Public Convenience and Necessity to provide an IRREGULAR SPECIALTY PUBLIC PASSENGER TAXI SERVICE etc.	Hearing adjourned sine die as a result of a public hearing.	M.C. 23

NAME OF APPLICANT	APPLICATION	DECISION	ORDER NO.
O'Neill, Hilary Paradise, NF	Certificate of Public Convenience and Necessity to provide an IRREGULAR GENERAL FREIGHT SERVICE, an IRREGULAR SPECIALTY TEMPERATURE CONTROL FREIGHT SERVICE etc, an IRREGULAR SPECIALTY TANK FREIGHT SERVICE, etc and an IRREGULAR SPECIALTY LOWBED FREIGHT SERVICE etc.	Denied as a result of a public hearing.	M.C. 18
On the Board's Own Initiative	Investigation by the Board into Motor Carrier Certificate No: 4064 issued to Dewey Baggs, Shearstown, to amend, suspend or cancel his Certificate.	Approval granted for the suspension of Motor Carrier Certificate No: 4064 until March 31, 1990. Motor Carrier Certificate No: 4064 must be renewed on or before March 31, 1990, and failure to comply with this Order on or before March 31, 1990, pursuant to Section 8 (3) of the Motor Carrier (Amendment) Act, No. 78, 1974 will result in the Certificate being cancelled, as a result of a Special Meeting of the Board.	M.C. 24

NAME OF APPLICANT	APPLICATION	DECISION	ORDER NO.
PBO Industrial Disposal Inc. St. John's, NF	Amendment to Motor Carrier Certificate No: 4706, to provide an IRREGULAR SPECIALTY FREIGHT SERVICE etc.	Approval granted, as requested, as a result of a public hearing.	M.C. 35
Peddle, Martha Port Blandford, NF	Certificate of Public Convenience and Necessity to provide an IRREGULAR SPECIALTY PUBLIC PASSENGER TAXI SERVICE etc.	Approval granted, as amended, as a result of a public hearing.	M.C. 33
Pottle, Edward Western Bay, NF	Certificate of Public Convenience and Necessity to provide an IRREGULAR RESTRICTED FREIGHT SERVICE etc.	Approval granted, as modified, as a result of a public hearing.	M.C. 13
Porter, Harold Port de Grave, NF	Amendment to Motor Carrier Certificate No: 1799 to provide an IRREGULAR SPECIALTY PUBLIC PASSENGER TAXI SERVICE etc.	Denied as a result of a public hearing.	M.C. 25
Searle, Sam Manuels, NF	Certificate of Public Convenience and Necessity to provide an IRREGULAR SPECIALTY PUBLIC PASSENGER SERVICE etc.	Approval granted, as requested, as a result of a public hearing.	M.C. 6
Springdale Ultramar Limited Springdale, NF	Certificate of Public Convenience and Necessity to provide a SPECIALTY TANK FREIGHT SERVICE etc.	Approval granted, as requested, as a result of a public hearing.	M.C. 21

NAME OF APPLICANT	APPLICATION	DECISION	ORDER NO.
Thomas, William A. Carbonear, NF	Amendment to Motor Carrier Certificate No: 1004 to provide a REGULAR BUS SERVICE, etc.	Approval granted, as modified, as a result of a public hearing.	M.C. 28
Vardy Villa Limited Clarenville, NF	Certificate of Public Convenience and Necessity to provide an IRREGULAR SPECIALTY PUBLIC PASSENGER BUS SERVICE etc.	Denied, Applicant didn't show, as a result of a public hearing.	M.C. 3
White, John F. Portugal Cove, NF	Certificate of Public Convenience and Necessity to provide an IRREGULAR PUBLIC PASSENGER BUS SERVICE etc.	Approval granted, as amended, as a result of a public hearing.	M.C. 4
White Transport Ltd. Grand Falls, NF	Amendment to Motor Carrier Certificate No: 2533 to provide, inter alia, an IRREGULAR GENERAL FREIGHT SERVICE etc, IRREGULAR SPECIALTY TEMPERATURE CONTROL FREIGHT SERVICE etc.	Denied as a result of a public hearing.	M.C. 8

SUMMARY OF ORDERS ISSUED UNDER THE AUTOMOBILE INSURANCE ACT
SECTION 50(2)

NAME OF APPLICANT	APPLICATION	DECISION	ORDER NO.
Anthony Insurance Incorporated	Application for approval to implement revised rates for Private Passenger vehicles and to adopt the 1988 Rating Program of the Insurers' Advisory Organization (I.A.O) in respect to Miscellaneous classes.	Approval granted as requested without a public hearing.	A.I. 12
Anthony Insurance Incorporated	Application for approval to implement revised rates for commercial vehicles with effect from September 30, 1989 for new business and renewals.	Approval granted as requested without a public hearing.	A.I. 14
Anthony Insurance Incorporated	Application for approval to implement revised rates fro Private Passenger vehicles and for the adoption of the I.A.O. 1988 Rating Programme for Miscellaneous classes, all with effect from November 1, 1989.	Approval granted as requested without a public hearing.	A.I. 19
Anthony Insurance Incorporated on behalf of the Canadian Home Assurance Company	Application for approval to implement revised rates for Private Passenger vehicles and to adopt the 1986 Rating Programme of the I.A.O. in respect to Miscellaneous classes.	Approval granted as requested without a public hearing.	A.I. 1
AXA Home Insurance Company	Application for approval to implement a Rating Program for commercial vehicles with effect from July 1, 1989.	Approval granted as requested without a public hearing.	A.I. 9
Canada Life Casualty Insurance Company	Application for approval to implement a Rating Program for Private Passenger vehicles with effect from May 1, 1989.	Approval granted as requested without a public hearing.	A.I. 3

NAME OF APPLICANT	APPLICATION	DECISION	ORDER NO.
The Co-operators	Application for approval to implement revised rates for Private Passenger class of business with effect from October 17, 1989 for renewal business and on receipt by the Company's sales representatives for new business.	Approval granted as requested without a public hearing.	A.I. 18
The General Accident Assurance Company	Application for approval to implement revised rates for its Private Passenger class of business with effect from October 1, 1989 for new business and November 1, 1989 for renewals.	Approval granted as requested without a public hearing.	A.I. 15
Insurance Corporation of Newfoundland Ltd.	Application for approval to (I) implement revised rates for its Private Passenger class of business; (II) to utilize rates as presently approved for the Facility Association for Miscellaneous classes and (III) to adopt the programme of surcharge as presently approved for use by the Facility Association.	Approval granted as requested without a public hearing.	A.I. 2
Laurentian Shield Insurance Company Inc.	Application to revise its Rating Program for Private Passenger vehicles and implement a Rating Program for Commercial vehicles with effect from June 19, 1989.	Approval granted as requested without a public hearing.	A.I. 8
Liberty Mutual	Application for approval to adopt the I.A.O. 1989 Automobile Rating Program for Private Passenger vehicles with effect from September 1, 1989 for new business and October 15, 1989 for renewals.	Approval granted as requested without a public hearing.	A.I. 13

NAME OF APPLICANT	APPLICATION	DECISION	ORDER NO.
E.W. Tinmouth, C.A. Attorney in Canada for Lloyd's Non-Marine Underwriters	Application for approval to revise its Rating Program for individually rated Private Passenger vehicles with effect from October 1, 1989 for new business and November 1, 1889 for renewals.	Approval granted as requested without a public hearing.	A.I. 17
Lumbermens Mutual Casualty Company	Application for approval to adopt the I.A.O. 1989 Rating Programme for Private Passenger and Commercial classes of business with effect from June 1, 1989.	Approval granted as requested without a public hearing.	A.I. 5
Metro General Insurance Corporation Limited	Application for approval to implement revised rates for Private Passenger and Commercial vehicles with effect from June 1, 1989.	Approval granted as requested without a public hearing.	A.I. 6
Metropolitan Insurance Company	Application for approval to adopt the I.A.O. 1989 Rating Program for Commercial vehicles with effect from November 1, 1989.	Approval granted as requested without a public hearing.	A.I. 16
Phoenix Continental Management Limited	Application for approval to implement revised rates for their Private Passenger classes of business with effect from August 1, 1989 for new business and October 1, 1989 for renewals.	Approval granted as requested without a public hearing.	A.I. 7
Phoenix Continental Management Limited	Application for approval to amend their multi-vehicle discount program for Private Passenger vehicles.	Approval granted as requested without a public hearing.	A.I. 11
The Prudential Assurance Company Limited	Application for approval to implement a Rating Programme for Commercial vehicles.	Approval granted as requested without a public hearing.	A.I. 20

NAME OF APPLICANT	APPLICATION	DECISION	ORDER NO.
Royal Insurance Company of Canada	Application for approval to implement revised rates for its Private Passenger class of business with effect from May 1, 1989 for new business and June 1, 1989 for renewals.	Approval granted as requested without a public hearing.	A.I. 4
St. Paul Property and Liability Insurance Company	Application for approval to adopt the Insurers' Advisory Organization (I.A.O.) 1989 Automobile Rating Programme for Private Passenger and Commercial classes with effect from May 1, 1989.	Approval granted as requested without a public hearing.	A.I. 10

Board of Commissioners of Public Utilities
Balance Sheet

	December 31 1989	1988
Assets		
Current		
Cash and term deposits	$1,028,313	$ 711,092
Receivables		
Hearing costs	236,774	68,548
Assessments and fees	25,225	11,413
Accrued interest	6,689	3,960
Prepaid expenses	14,780	11,775
	1,310,781	806,788
Investments (Note 2)	45,125	45,125
	$1,355,906	$851,913
Liabilities		
Current		
Payables and accruals	$ 152,014	$ 94,719
Motor carriers' deposits	27,905	24,056
Hearing cost deposits	1,999	3,649
	181,918	122,424
Pension fund obligations (Note 3)	904,000	837,000
	1,085,918	959,424
Surplus (Deficit)		
Surplus (deficit)	269,988	(107,511)
	$1,355,906	$ 851,913

Commitments (Note 4)

Contingent liability (Note 5)

On Behalf of the Board

Chairman Vice-Chairman

Doane Raymond

Board of Commissioners of Public Utilities
Statement of Revenue, Expenditures and Surplus

	Year Ended December 31	
	1989	1988
Revenue		
Assessments	$ 882,696	$ 806,652
Certificates - motor carriers	712,193	643,705
Investment income	92,241	66,927
Administrative costs recovery	46,528	1,157
Applications and amendments	32,424	36,235
Hearings	24,000	10,750
Miscellaneous	13,399	12,068
Fines	3,470	17,605
Sale of vehicles		4,502
	1,806,951	1,599,621
Expenditures		
Insurance	419	4,390
Licence plates	10,276	8,629
Miscellaneous	6,210	8,978
Office supplies and printing	69,222	95,392
Pension costs	81,458	16,706
Postage	14,677	13,536
Professional services	205,815	82,681
Rent	95,250	98,145
Salaries and benefits	884,650	1,037,283
Telephone and telegraph	17,582	27,118
Travelling	25,322	81,114
Travel - memberships and registration	17,890	9,255
Vehicle operating	681	20,889
	1,429,452	1,504,118
	377,499	95,503
Other item		
Pension fund obligations		837,000
Excess of revenue over expenditures (expenditures over revenue)	377,499	(741,497)
Surplus (deficit), beginning of year	(107,511)	633,986
Surplus (deficit), end of year	$ 269,988	$ (107,511)

Board of Commissioners of Public Utilities
Statement of Changes in Financial Position

	Year Ended December 31	
	1989	1988
Cash provided from (used for)		
Operating activities		
Excess of revenue over expenditures (expenditures over revenue)	$ 377,499	$ (741,497)
Changes in		
Receivables	(183,767)	44,754
Prepaid expenses	(3,005)	6,294
Payables and accruals	57,295	(74,498)
Motor carriers' deposits	3,849	(8,110)
Hearing cost deposits	(1,650)	(3,451)
	250,221	(776,508)
Financing activities		
Increase in pension fund obligations	67,000	837,000
Net cash provided	317,221	60,492
Cash and term deposits, beginning of year	711,092	650,600
Cash and term deposits, end of year	$1,028,313	$ 711,092

Board of Commissioners of Public Utilities
Notes to Financial Statements
December 31, 1989

1. Accounting policies

a) Operating revenue and expenditures

Operating revenue and expenditures are accounted for on the accrual basis.

b) Capital expenditures

The Board follows a policy of writing off all capital expenditures to expense in the year of acquisition.

The estimated cost of equipment and furnishings being utilized by the Board as at December 31, 1989 is $131,585.

2. Investments, at cost

	Market Value	Cost
Royal Bank Mortgage Corporation		
11% mortgage certificates, maturing June 8, 1990	$ 10,000	$ 10,000
Province of Newfoundland and Labrador		
6 3/4% sinking fund debentures, maturing January 15, 1992	9,310	9,875
10% sinking fund debentures, maturing February 17, 1996	24,663	25,250
	$ 43,973	$ 45,125

3. Pension fund obligations

The Board maintains a non-contributory defined benefit pension plan. This plan covers commissioners who are not eligible to receive a pension or gratuity under the Public Service (Pensions) Act, 1968 or under Section 98 of The Public Utilities Act, 1964. The plan provides pensions on retirement based on a percentage of pensionable salary for commissioners with at least five years of pensionable service.

The Actuarial report which was prepared during the prior year is indicating that the present value of the accrued pension benefits for four commissioners is $904,000 as at December 31, 1989, which has been reflected on the balance sheet as a long term liability. The Board intends to fund the plan on a cash basis based on required retirement payments.

The pension liability of $904,000 represents the cost to provide lifetime pensions for future retirees to December 31, 1989. Estimated annual future costs will approximate $67,000.

4. Commitments

a) Rentals

The Board has annual commitments for rental of office space and equipment of approximately $146,000 for the year ending December 31, 1990 and varying amounts for the following two years.

b) Pensions

There are at present annual pension commitments on behalf of a former commissioner and a former employee of the Board who were ineligible for pensions under the Public Service (Pensions) Act, 1968. The amount to be paid in 1990, which includes an annual escalation provision, is estimated to be $15,000.

5. Contingent liability

The Board is a defendant in an action for alleged negligence. The amount of the claim against the Board is $827,500. The action is being contested by the Board and the ultimate liability, if any, cannot reasonably be estimated at this time. Any costs which may result from the settlement of this action will be charged to income in the period in which the settlement occurs.